NATIONAL BEEKEEPERS' ASSOCIATION of NEW ZEALAND (INC.)

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Annual Report

and

Financial Statements

for the

Year Ended

31 December 2001

PRESIDENTS OVERVIEW

I have much pleasure in presenting this Annual Report for the year ended 31 December 2001.

This report differs slightly from what has been customary in that it consists of contributions from Executive members in respect of the portfolios they are responsible for.

For obvious reasons these reports are not a detailed account of all that has occurred during the year, rather they present a snapshot identifying notable highlights.

It has now become the practice for the Executive to meet at six to eight week intervals, rather than quarterly as was previously the custom. The advantages far outweigh the disadvantages. Additional costs entailed in travel and accommodation can to a degree be offset by careful travel arrangements.

One of the major personal costs imposed on Executive members has been extra demands in the matter of time away from home, businesses and family affairs.

Advantages have been in respect of the capacity of the Executive, and some support committees to deal with issues while they are current – not retrospectively, as has been the case in the past. A large plus has been reducing time lost on follow-ups and reviews, so minimising the need for deferments, referrals and the consequent generation of backlogs of work.

It has also meant we are able to take advantage of opportunities offered as a result of maintaining frequent and regular contacts with outside agencies. This has been noticeably so when dealing with varroa generated issues when a prompt, proactive response has been needed.

In the majority of instances the Executive has responded and in so doing has shown that the NBA does have the capability and expertise to contribute in a professional way, be it with other Primary Sectors, with Central Government or with Regional and District Government.

The Executive has, throughout its term, been conscious of its responsibilities to Association members as identified by the Conference Remit process. A schedule of all such remits and progress made is appended to this report.

This has not been the easiest of years (has it ever been different) for the Executive. The issues dealt with have been demanding and wide ranging and all have had the capacity to impact on Association members one way or another. The attached schedule will afford some insight into some of these issues and the areas in which the Executive have represented the interests of the Association's members.

I commend to you the report which follows this introduction.

I also commend to you my fellow members of the Executive. They have been unstinting of the time and skills they have placed at the disposal of this Association. I thank them particularly for the manner in which they have supported and encouraged me in the unaccustomed role I find myself in.

The following is a representative summary identifying some of the more significant areas that the Executive and NBA Committee members have been involved with during the course of the past year. It is produced here to show the range and diversity of the business undertaken by the Executive. No attempt is made to detail or discuss issues of routine administration, general / non-specific business or matters devolving from its role as Management Agency for the Pest Management Strategy.

Submissions:

- Area freedom for West Australian Honey
- Biosecurity Amendment Act
- Biosecurity Strategy for NZ
- Animal Products Act
  - Harvester declarations
  - Risk Management Programmes
- Australia New Zealand Food Authority
  - Product Labelling
- Genetic Modification
  - To Minister of Biosecurity
  - Report to commission
- Varroa Research Funding
  - Submissions to Minister
- ERMA regarding labelling of substances toxic to bees – including surfactants.

Projects:

- Development - Expanding Options for Beekeepers
- Development - Standards for NZ Honey
- Development - Honey Quality Mark
- Development - Standard for Surveillance of Disease of Honey Bees – participate on MAF Development Committee
- Spray Poisoning - Maintain contact with Agrichemical Trespass Advisory Committee
- Commodity Levy / Biosecurity Levy referendum and applications.

Representations:
The NBA has been represented on the following committees either as a full committee member* or with observer status** or the nominated person.

Varroa Management Group	G Cammell, J Lorimer, D Bell *
Varroa Planning Group	R Hatfield (retired), M Stuckey *
MAF Exotic Disease Committee	P Berry, T Gavin *
Expanding Options Management Committee	L McKenzie, I Dickinson, F McKenzie *
Primary Production Stakeholder Group	T Leslie**
Compensation Advisory Committee	F Lindsay*
Animal Biosecurity Consultative Committee	T Leslie*
Liaison with ERMA	J Lorimer
Liaison with VegeFed	D Bell
Liaison with MAF Food Authority	J Lorimer
Honey Research Unit – Waikato University	J Lorimer
Liaison with Hort. Research	J Lorimer
Liaison with Minister of Agriculture	D Bell

On behalf of the Association members I wish to thank those members who have served on committees, taken office in the Branches or acted in some other support capacity. Without people prepared to volunteer time and skills, to put their hands up when there is a need this Association would achieve little indeed.

Finally my thanks to Tim Leslie for his very considerable service to the Association and the Executive. He has shown a willingness to go that extra yard, often at his own expense and more often than not has put the welfare of the organisation ahead of personal considerations.
Don Bell
President

COMMUNICATIONS

Responsibility for this portfolio has moved around a little this year. Unfortunately Fiona O'Brien was unable to achieve what she had planned before other events overtook her. The magazine is operating successfully under the current system. It does have problems of immediacy that will have to be addressed.

The web page, www.nba.org.nz has been revamped and is an improvement, it is expected there will be ongoing improvements over time. Statistic show that nba.org.nz is averaging 1400 visits per month (56% from New Zealand). In the last year the Executive has put as much information as possible on the site ranging from in excess of 20 varroa updates to information about the Animal Products Act and copies of submissions and Executive Minutes.

There are real problems with our communications systems and I have proposed to the Executive that we take professional advice as to how we can identify what our members require and how that can best be achieved.
Lin McKenzie

ENVIRONMENT

The committee continues to beaver away in several different areas, with copious amounts of reading to be done from web sites and from written requests for submissions. I usually target one or two of the committee over each issue, depending on their area of interest and time available to help piece together submissions – I thank them all for their willingness to be involved. Listed below are some of the areas we have been involved in.

Contributions to submissions have included:

- Further work on Genetic Modification: the recommendations from the Royal Commission. At this conference Irene Parminter will be presenting a short paper that will outline options to keep NZ bee products GM free. We will then have the opportunity to talk with her before a formal discussion document; submission process is entered into.
- Submissions to ANZFA – re Nutrition Information Panel. We have asked for an exemption, as honey is a single ingredient food. Yet to hear back from them.
- Submissions on the Biosecurity strategy. Some initial input has been sent, and I expect the committee to have a large input when the draft strategy comes out (was due the end of May)
- Submissions on the Importation of Western Australian Honey. Most of this submission was a joint effort with input from some Exporters, as well as using Federated Farmers personnel to put the submission together.

Jane Lorimer

SUPPORT

The main effort in this field has been implementation of the Sustainable Farming Fund Project *Expanding Options for New Zealand Beekeepers*. The Project now has a Management Committee overseeing it and the first program, "To Provide Leadership Training" has been initiated. This is targeted at Branch Officers and will be pretty much complete by the time of going to press. The life of the Project is planned to extend over three years.
Lin McKenzie

VARROA CO-ORDINATORS REPORT

The NBA has continued its input into the Interim Management Programme for Varroa in the following manner.

VARROA MANAGEMENT GROUP (VMG)

The VMG is primarily responsible for managing the Interim Management Programme which is comprised of representatives of the Ministry of Agriculture (MAF), National Centre for Disease Identification (NCDI) and the National Beekeepers Association (NBA) and under the Chairmanship of Dr Derek Belton, Director of Biosecurity Authority (MAF).

The Group has met 7 times in Wellington, in addition to which are the fortnightly teleconferences to which AgriQuality are participants.

NBA is represented by Graham Cammell, Jane Lorimer and Don Bell with Tim Leslie in attendance for administration and recording purposes.

VARROA PLANNING GROUP (VPG)

The VPG is tasked with the preparation of a "Phase 111" Long Term Management Plan to assist the Industry deal with varroa. This was one of the specific requirements spelled out in the Cabinet's paper which lead, subsequently, to the initial allocation of $7.6m funding for the Interim Management Programme.

The Group, chaired and facilitated by Paul Bolger is comprised of stakeholders, representatives from Local Government, various Producer Groups, including Kiwi Fruit Industry, Apple and Pear Industry, Seed and Grain Section of Federated Farmers. Other similar organisations are represented through Vegetable Growers Federation (VegFed). NBA is represented by Richard Hatfield (resigned in July 2001 and replaced by Mike Stuckey) and Don Bell with Tim Leslie for administration and recording.

The Group has met 4 times during the period. All meetings being held in Wellington.

VARROA OVERSIGHT AND ADVISORY GROUP (VOAC)

The NBA sponsored VOAC was inaugurated at a meeting in Wellington on 9/3/01 with each NBA Branch being represented by one member. From this an Executive Group was formed under the chairmanship of Graham Cammell.

The Group has been active in promoting strategic planning on each of the following:

(a) Development of a Strategic Management Plan.
(b) Development of an Education and Promotion Programme for beekeepers.
(c) Discussion on and resolution of issues effecting the Movement Control Line.
(d) Development of a programme for current and on–going research in to varroa.

Each of the above workshops were held at Ruakura, chaired by Graham Cammell and facilitated by Dr Mark Goodwin.

Outcomes from each of the above were conveyed, along with a series of recommendations, to MAF.

Arising from the workshop on research, the Executive prepared submissions (2) to the Minister for Agriculture urging further allocations of funding to sustain an optimum level of current and on–going research into the management and control of varroa. Both submissions were presented, personally, and in writing to the Minister by the NBA President.

The VOAC has advocated strongly for an on–going programme of surveillance for varroa in the South Island. This in accordance with Government's objective of maintaining the South Island free from Varroa for as long as practicable.

To this end the VOAC jointly with the Sustainable Farming Fund and the Executive has commissioned a report to be prepared detailing the Economic Impact of Varroa on South Island Beekeepers. This report currently being prepared by Kim van Vuuren, under the supervision of Dr Paul Knott of University of Canterbury, is due for presentation in August 2002.

In conclusion, on behalf of the Executive and all beekeepers I thank the members of the above committees for their considerable inputs. In particular I acknowledge the work of Graham Cammell (tireless), Paul Bolger MAF, Mark Goodwin Hort Research, Graham Martin CEO Environment Otago, Jane Lorimer NBA Executive. Their input has been huge and I believe we all owe them a great debt of gratitude.
Don Bell

RESEARCH AND DEVELOPMENT COMMITTEE

This is a new committee that has been formed. I would like to thank those who have been willing to come on to this committee.

In time, this committee will be very busy trying to co-ordinate research, help gain funding for research, and review what has been achieved to date, and work on strategies for the future. It will also communicate with beekeepers, researchers and funding organisations to get the best possible use of time and money available to the Industry.

The other important role of this committee will be to liase with industries and other organisations to try to form beneficial partnerships with them to commercialise any new products that have been developed due to the research findings.

It is envisaged that in the future, this committee will oversee all research and development for the Association: including Varroa, AFB, Marketing, and product development.

Jane Lorimer

MARKETING COMMITTEE REPORT
At last year's conference the marketing committee discussed the two projects they were developing.
There were:

1) A set of standards for NZ honeys
2) A project called Cinderella, which was researching and developing the anti-oxidants and anti-bacterial properties found in NZ bush honeys.

THE STANDARD FOR NZ HONEYS
This has been completed with the help of a number of Honey packing firms sending their honey graders to Wellington to discuss the characteristics of all the main varieties of honey in NZ. These were sent to the magazine for publishing and also are available at conference.

CINDERELLA PROJECT
The committee and Doctor Peter Molan wanted to start this project but have had to wait for funding. The Executive committee approved $30,000 in November on condition that the other $70,000 was raised from other sources. The NZ Honey Trust fund approved $20,000 with a further $50,000 being approved in June from Tech NZ.
Peter Molan has started the research for this project.
Two small projects started were to investigate forming a company to own the trademarks and standards. The second project was to investigate the UMF ownership and to help with a business plan for the UMF group of beekeepers.
I would like to thank the committee for their perseverance and for all the time they have freely given to helping to achieve the results, namely Steve Olds, Barbara Bixley, John Hartnell, Jane Lorimer, Tony Taiaroa (part of the year).
I would also like to thank John Rawcliffe for providing the professional services.
Philip Cropp

COMPLIANCE
The Compliance Committee put together a very comprehensive report for the Minister towards the end of the year 2001.

Since then they have put their recommendations to the Executive regarding the renewal of the Commodity Levy which expires on 1st December 2002. These recommendations were that the Commodity Levy should be replaced with a three levy system encompassing a two tier Levy under the Biosecurity Act to fund the Pest Management Strategy and a Commodity Levy to fund activities described as "Industry Good."

Consultation on these issues has been extensive and goes back to the remit passed at the Ashburton Conference recommending a return to hives as the basis of collecting the Levy. Since then there has been a questionnaire sent to all beekeepers with their Annual Disease Returns last May and opportunity in the magazine for input.

Results of the referendum on the Commodity Levy should be to hand for discussion at the Conference this year.
Lin McKenzie

EXOTIC COMMITTEE
The Executive commissioned the Exotic Committee to work on Remit 5 from the Queenstown Conference: "*The NBA commission an investigation into the options available for treatment and or eradication of European Foulbrood in New Zealand*":

1. Do nothing; put our efforts into trying to get border controls tightened up and hope for the best. It is not as silly as it sounds, it is low cost, low time and leaves the problem to be dealt with by the people who are actually experiencing it, ensuring a great deal of effort is put into the problem by both industry and government. Whatever we do this is likely to be the case to a fairly large degree anyway.
2. Register terimycin; the most proactive option and the one most fraught with difficulties and conflicting agendas. It would allow immediate treatment to begin in the event of an outbreak, possibly saving many millions of dollars in lost production, for both beekeepers and orchardists. The problems with it are the cost of getting it registered, the damage caused to our marketing by the use of antibiotics, the masking of AFB and the possibility that we may get a strain of EFB that is resistant to terimycin. Or to put it more succinctly the short-term gains may well be outweighed by the long-term losses. It is something that we will have to decide as an industry. We should also remember that if it is legal to use it, it will be used whether the industry as a whole thinks that it is a good idea at the time or not. One possibility could be to get it registered subject to a vote ratifying its use should the need arise.
3. Research; the most likely option to cost money for no return, but even small gains of knowledge could tip the scales in our favour, part of AgriQuality's contract for exotic bee surveillance includes provisions for researching the literature on exotic diseases and providing reports on their findings to the beekeepers, one easy and cheap option would be to vigorously encourage them to put their efforts into EFB first with possibly a few hints as to what is of most interest to us. This would have the double effect of getting something done and providing a base for our own further research projects, hopefully preventing us from spending money on reinventing the wheel. From there I would suggest that we are in a good position of moral highground to pressure the government to commit some money out of the public good fund and could also hit up the trust fund.

The Committee also had input into the revised Standard for Surveillance of Disease of honeybees, copies of which will be distributed to the Branches.
Gerard Martin

EXPORT COMMITTEE REPORT

This committee was brought about by the need to address issues regarding exportation of bee products, legislative requirements, improving exporting potential. The committee had one meeting with Jim Edwards from MAF to discuss different exporting problems.

The exporting season for bee products has progressed well with no major issues requiring the committee's attention.

The Executive committee hired a consultant to prepare a report on Western Australian honey imports into NZ. This has been published and is also on the association website.

Philip Cropp

VARROA

I am responsible for the VOAC committee, Varroa management Group meetings.

This year, there has been little need to get the whole VOAC committee together. It is foreseen that they may be needed once the Phase III plan has been drafted, for discussion and input. The smaller VOAC committee has worked with Don and I on getting some research carried out on Beekeeping Viability in the South Island with current income streams. This work is being carried out at present.

The Varroa Management Group has worked on the day to day problems associated with the phase II programme. This includes working with both MAF and AgriQuality over:

- movement control issues and reviews e.g. the line and Cook Strait
- surveillance in the South Island and Southern North Island, East cape etc
- new registrations of treatment products
- research updates, and funding issues
- crises management e.g. when found logs with swarms containing varroa moved south of movement control line

Jane Lorimer

PROGRESS UPDATE ON REMITS PASSED AT THE 2001 CONFERENCE OF BRANCH DELEGATES:

Remit	Executive/Committee Allocation:	Progress:
Remit 1 That the line between the buffer and infested zones be maintained and defended for as long as possible and, if Varroa is found south of the line, the line be shifted to a sensible geographical line after all other options have been fully investigated for maintaining the line in its present position	Jane Lorimer	Changes have been made through Varroa Management Group.
Remit 2 That this Conference recommends to the Executive that they consider the introduction of Varroa tolerant bee stock to the New Zealand Beekeeping industry, to reduce the effect of Varroa and improve the economics of the beekeeping industry	VOAC/ Jane Lorimer	Research & Development Committee will address
Remit 5 That this Conference recommends to the Executive that, The NBA commission an investigation into the options available for the treatment and or eradication of European Foulbrood in New Zealand	Gerard Martin	Exotic Committee working on.
Remit 8 This conference recommends to Executive on behalf of the New Zealand Hobbyist Beekeepers that Executive negotiates with Government for the removal of the Statutory Declaration clause under the Commodity Levies (Bee Products) Order 1996	Don Bell	Underway through levy change process.
Remit 10 That this Conference recommends to the Executive that they ensure that any policies adopted by them are formulated in accordance with the provisions and spirit of the Rules of the Association and comply with governing legislation	Executive to note	Noted and monitoring
Remit 12 That this Conference recommends to Executive that they facilitate the development of clover that produces Nectar and persists for many years in pasture	Jane Lorimer and Philip Cropp	R & D Committee will address
Remit 18 That this Conference recommends to Executive that this industry express its concern to the use of Imidacloprid (Gaucho)	Environment Committee (Jane Lorimer)	Being monitored as there is no documented scientific evidence available to prove either side of the argument.
Remit 19 That this conference recommends to the Executive that the marketing committee presents to the AGM of the NBA, a business plan for the ensuing 12 months	Marketing Committee (Philip Cropp)	Ongoing. Marketing will report to the AGM
Remit 20 That this Conference recommends to the Executive that the Beekeeping Industry endeavour to co-ordinate rural industries to speak with one voice to increase pressure on the Government to provide better border security	Communications & Support Committees (Fiona O'Brien & Lin McKenzie)	Ongoing. Executive made a Biostrategy submission and contracted Federated Farmers for the WA Honey submission
Remit 21 That this Conference recommends to the Executive, that an approach be made to the Government to get all incoming shipping containers opened and their contents inspected	Exports, Imports & Exotics Committees (Philip Cropp & Gerard Martin)	Ongoing.
Remit 23 That this conference affirms the NBA submission to the Royal Commission on GM for a moratorium with annual review on open release of GM plants and in particular plants visited by bees. We request that the Executive continue to lobby Government for such a moratorium if necessary after the Royal Commission on GM delivers its findings	Environment Committee (Jane Lorimer)	Signed off and continue to involve as opportunity arises.

Remit 24 That this conference strongly recommends to Executive that an additional control line be established immediately north of Wellington along natural boundaries having least effect on commercial beekeeping in the Wellington area. This line to stop any live bee movement from north of this line to south of this line	Varroa Management Group (Jane Lorimer)	Continues action through involvement on the Varroa Management Group.
Remit 25 That this conference recommends to Executive that the Auckland Branch of the National Beekeepers' Association host the 2002 Conference	Executive	Signed off.
The rule changes as proposed by the Executive be referred back to the incoming Executive for further deliberation and communication with branches, with a view to having firm rule changes for presentation at a Special Meeting to be held at our next Annual Conference	Governance Committee / Richard Hatfield	Governance Committee is working on.

New Zealand Honey Crop for 2001-2002 Season:

YEAR	**Northland, Auckland, Hauraki Plains**	**Waikato, King Country, Taupo**	**Bay of Plenty, Coromandel, Poverty Bay**	**Hawkes Bay, Taranaki, Manawatu, Wairarapa**	**Marlborough, Nelson, Westland**	**Canterbury North Otago**	**South & Central Otago, Southland**	**NEW ZEALAND**	**Yield per Hive (kgs)**		
1997	766	829	933	1112	919	2339	1639	8537	29.7	Hives 1997	287458
1998	1014	1404	1314	1230	598	1238	1283	8081	27.0	Hives 1998	298921
1999	615	1617	1800	1416	770	1782	1069	9069	29.9	Hives 1999	302998
2000	982	1434	1300	1323	705	2310	1555	9609	30.0	Hives 2000	320113
2001	869	672	794	1735	606	2743	1725	9144	29.4	Hives 2001	310865
2002	593	708	319	750	300	921	1091	4682	15.0	Hives 2002	312658
6 yr. av.	807	1111	1077	1261	650	1889	1394	8187	26.8	**6 yr. av.**	305502
Source: AgriQuality NZ Ltd 30 May 2002											

NATIONAL BEEKEEPERS ASSOCIATION OF NEW ZEALAND

INCORPORATED

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DECEMBER 2001

NATIONAL BEEKEEPERS ASSOCIATION OF NEW ZEALAND INC

Financial Statements
For the Year ended 31st December 2001

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NATIONAL BEEKEEPERS ASSOCIATION OF NEW ZEALAND INC

Summary Statement of Financial Performance - Administration
For the year ended 31st December 2001

	Note	2001	2000
ADMINISTRATION INCOME			
Commodity Levy	13	490,167	213,596
Levies 1999		-	16,354
Commission		2,345	1,966
Penalty on Levies		29,617	37,984
Bad Debts Recovered		-	5,898
Conference Income		-	3,296
Donations		232	299
Interest Received		3,175	2,178
TOTAL ADMINISTRATION INCOME		**525,536**	**281,571**
ADMINISTRATION EXPENSES			
Accident Compensation Levies		-	102
Collection Costs		1,970	3,926
Administration - Current Levy		42,600	98,440
Administration - Previous Levy		7,664	-
Administration Fees		88,138	
Apiary Register (PMS)		-	10,000
Audit Fees		5,000	3,130
Bank Charges		978	103
Communication Costs		4,655	7,856
Conference - Accommodation and Meals		6,169	2,512
- Travel		4,489	4,275
- Other		1,454	622
Executive Meetings - Accommodation and Meals		14,262	9,282
- Travel		42,283	19,603
- Communications and Sundry		6,418	
Sub Committee Running Expenses		4,118	509
Insurance		1,695	2,804
Interest Paid		833	1,375
Legal Fees 2000 Levy		10,654	6,230
Legal Fees 2001 Levy		552	-
Library Expenses		10	1,180
Honorarium		16,478	6,000
Printing and Stationery		14,915	9,386
Bad Debts		-	3,712
Provision for Doubtful Debts		58,673	51,359
Subscriptions		50	1,471
Sundry Expenses		1,004	419
TOTAL ADMINISTRATION EXPENSES		**335,062**	**244,296**
ADMINISTRATION SURPLUS\ (DEFICIT) BEFORE TAX		**190,474**	**37,275**
Taxation		760	-
ADMINISTRATION SURPLUS / (DEFICIT)		**$ 189,714**	**$ 37,275**

The above information should be read in conjunction with the accounting policies and the notes on pages 8 to 10

NATIONAL BEEKEEPERS ASSOCIATION OF NEW ZEALAND INC

Statement of Financial Performance - Publications
for the year ended 31st December 2001

	Note	2001	2000
PUBLICATION INCOME			
Commodity Levy	13	-	71,836
Journal - Advertising		-	27,560
Subscription National		5,863	7,606
Subscription Overseas		2,590	2,183
TOTAL PUBLICATION INCOME		**8,453**	**109,185**
PUBLICATION EXPENSES			
Advertising		1,422	-
Postage		11,564	10,540
Printing		249	48,196
Provision for Doubtful Debts		-	47,769
Library Costs		681	-
TOTAL PUBLICATION EXPENSES		**13,916**	**106,505**
PUBLICATION SURPLUS / (DEFICIT)		**$ (5,463)**	**$ 2,680**

The above information should be read in conjunction with the accounting policies and the notes on pages 8 to 10

NATIONAL BEEKEEPERS ASSOCIATION OF NEW ZEALAND INC

Statement of Financial Performance - Marketing
for the year ended 31st December 2001

	Note	2001	2000
MARKETING INCOME			
Commodity Levy	13	-	113,842
European Union Requirement Recoveries		-	17,485
Sundry Income		511	54
Expanding Options Project		6,130	-
TOTAL MARKETING INCOME		**6,641**	**131,381**
MARKETING COSTS			
Contract Fees		11,296	43,382
General Public Relations		-	5,701
Generic Promotional Material		-	40
Honey Quality Mark		-	540
Honey Research Unit		-	28
Marketing information services		-	2,318
Travelling Expenses		10,940	4,627
Committee Expenses and Administration		320	263
European Union Requirements		-	10,241
Provision for Doubtful Debts		-	27,392
Accomodation / Meals		2,097	33
Postage & Photocopying		211	273
Sundry Expenses		544	56
Communication Costs		518	2,189
MARKETING COSTS		**25,926**	**97,083**
PROJECT COSTS			
Project Cinderella		11,893	-
Project Quality Cert Scheme		12,358	-
Consultancy		900	-
Expanding Options Project - Consultancy		3,941	-
Expanding Options Project - Travel		927	-
Support Costs		362	-
TOTAL PROJECTCOSTS		**30,381**	**-**
TOTAL MARKETING EXPENDITURE		**56,307**	**97,083**
MARKETING SURPLUS /(DEFICIT)		**$ (49,666)**	**$ 34,298**

The above information should be read in conjunction with the accounting policies and the notes on pages 8 to 10

NATIONAL BEEKEEPERS ASSOCIATION OF NEW ZEALAND INC

Statement of Financial Performance - Disease
for the year ended 31st December 2001

	2001	2000
DISEASE CONTROL INCOME		
Commodity levy	-	147,196
Donations Pest Management Strategy	750	116
American Foulbrood Pest Management Tests	4,570	1,831
Publication Sales	402	4,738
Varroa Reimbursement	4,801	-
TOTAL DISEASE CONTROL INCOME	**10,523**	**153,881**
DISEASE CONTROL EXPENSES		
Destruction of Abandoned Hives		
Committee Expenses	-	6
Committee Communications	-	347
Travelling Expenses	2,098	139
Pest Management Contract	-	94,667
Pest Management Strategy Expenses	3,898	613
PMS - American Foulbrood- Carr Recovery	6,679	-
Spore Tests	-	9,000
Disease Control Training	1,688	-
Hort Research Contract	13,200	-
Inspections	11,240	-
PMS - Agriquality - Contract	76,380	-
PMS - Agriquality - Contract Extra Work	3,987	-
Varroa - Travel	9,643	-
- Consultancy	8,451	-
- Committee Travel	5,253	-
- Committee Sundries	472	-
Provision for Doubtful Debts	-	35,381
Publication	-	24
TOTAL DISEASE CONTROL EXPENSES	**142,989**	**140,177**
DISEASE CONTROL SURPLUS / (DEFICIT)	**$ (132,466)**	**$ 13,704**

The above information should be read in conjunction with the accounting policies and the notes on pages 8 to 10

NATIONAL BEEKEEPERS ASSOCIATION OF NEW ZEALAND INC

Summary Statement of Financial Performance
For the year ended 31st December 2001

	Note	2001	2000
TOTAL OPERATING REVENUE	2	551,153	676,018
OPERATING SURPLUS \ (DEFICIT) BEFORE TAXATION	3 & 4	2,880	87,957
Income Tax		(760)	(3,179)
NET OPERATING SURPLUS\ (DEFICIT) AFTER TAXATION		**$ 2,120**	**$ 84,778**

STATEMENT OF MOVEMENT IN EQUITY	2001	2000
EQUITY AT THE START OF THE YEAR	84,496	(282)
Net Profit For The Year	2,120	84,778
EQUITY AT THE END OF THE YEAR	**$ 86,616**	**$ 84,496**

The above information should be read in conjunction with the accounting policies and the note on pages 8 to 10

NATIONAL BEEKEEPERS ASSOCIATION OF NEW ZEALAND INC
Statement of Financial Position
as at 31st December 2001

	Note	2001	2000
ACCUMULATED FUNDS		**$ 86,616**	**$ 84,496**
REPRESENTED BY:			
CURRENT ASSETS			
BNZ Current Account		6,052	51,651
NBNZ Current Account		28,427	-
WestpacTrust Otago		469	469
Westpac Investment Account		1,004	-
BNZ 97 current account		-	3,555
BNZ Autocall Account		-	226
Withholding Tax Paid		-	335
Accounts Receivable	7	73,105	116,963
Prepayments		7,957	-
Accrued Interest		-	898
		117,014	**174,097**
INVESTMENTS			
NBNZ Investment	5	80,000	28,717
TOTAL ASSETS		**197,014**	**202,814**
CURRENT LIABILITIES			
Provision for Taxation		-	3,179
Goods & Services Tax		1,030	9,264
Accounts Payable		77,864	90,415
Honey Industry Trust Loan	6	-	5,000
Income in Advance		31,504	460
		110,398	**108,318**
TERM LIABILITIES			
Honey Industry Trust Term Loan	6	-	10,000
TOTAL LIABILITIES		**110,398**	**118,318**
NET ASSETS		**$ 86,616**	**$ 84,496**

[signature] Chairperson

[signature] Executive Secretary

3.7.02 Date

The above information should be read in conjunction with the accounting policies and the notes on pages 8 to 10

1 Statement of Accounting Policies

(a) Reporting Entity

The National Beekeepers Association of New Zealand Inc. is incorporated under the Incorporated Societies Act 1908. The Financial Statements are prepared in accordance with generally accepted accounting practice, as defined in the Financial Reporting Act 1993.

(b) General Accounting Policies

The general accounting policies recognised as appropriate for the measurement and reporting of results and financial position under the historical cost method is followed in the preparation of the financial statements.

(c) Particular Accounting Policies

The following particular accounting policies, which significantly affect the measurement of profit and financial position, are applied.

Taxation

The income tax expense recognised in the Statement of Financial Performance is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

Accounts Receivable

Accounts receivable are stated at estimated realisable value, which includes a provision for doubtful debts to make allowance for amounts which are not considered recoverable.

Commodity Levy

Commodity levies are based on apiary sites. The rate of the levy is $54.00 plus GST for the first apiary site then $26.00 plus GST for each subsequent site. In previous financial accounts for accounting purposes the levy income was split between the divisions.

Goods and Services Tax (GST)

All revenue and expense transactions are recorded net of GST. Where applicable, all assets and liabilities are stated net of GST with the exception of receivables and payables which are stated inclusive of GST.

(d) Changes in Accounting Policies

There have been no material changes in the accounting policies applied, compared with those applied during the previous year.

NATIONAL BEEKEEPERS ASSOCIATION OF NEW ZEALAND INC

Notes to the Financial Statements (Continued)

(e) **Differential Reporting**

The Association is an entity qualifying for differential reporting exemptions as it has no public accountability and is not large. All available differential reporting exemptions allowed under the framework for differential reporting have been adopted.

(f) **Comparatives**

Certain comparative information has been reclassified to ensure consistent presentation with the current year.

2. Total Operating Revenue

	2001	2000
Administration	525,536	281,571
Publication	8,453	109,185
Marketing	6,641	131,381
Disease Control	10,523	153,881
	$ 551,153	$ 676,018

3 Operating Surplus/ (Deficit) Before Income Tax

	2001	2000
Auditors' Remuneration	5,000	3,130
Interest and finance charges	1,811	1,375
Directors fees	16,478	-
Bad and Doubtful Debts	58,673	165,613

4 Operating Surplus/ (Deficit) Before Tax By Division

	2001	2000
Administration	190,474	37,275
Publication	(5,462)	2,680
Marketing	(49,666)	34,298
Disease Control	(132,466)	13,704
	$ 2,880	$ 87,957

5 Investments

	2001	2000
Westpac Trust Otago investment account	-	1,004
National Bank Term Deposit @ 4.70%	80,000	27,713
Total Investments	$ 80,000	$ 28,717

6. Honey Industry Trust Loan

	2001	2000
Loan was repaid in 2001	-	5000
	Nil	$ 5,000

7 Accounts Receivable

	2001	2000
Levies receivable	104,875	187,856
Other receivables	33,757	40,495
Varroa expenditure receivable	50,513	50,513
Sustainable Farming Project Receivable	6,130	-
Less provision for doubtful debts	(122,170)	(161,901)
Total Accounts Receivable	**$ 73,105**	**$ 116,963**

8 Related Party Transactions

There were no related party transactions during the year to 31 December 2001. (2000: Nil)

9 Contingent Liabilities

There are no contingent liabilities at 31 December 2001. (2000: Nil)

10 Subsequent Events

There have been no events subsequent to 31 December 2001 which would cause a material difference to the Financial Statements.

11 Capital Commitments

There were no material capital commitments at 31 December 2001. (2000: Nil)

12 Pest Management Strategy Contract

The Association has contracted with AgriQuality New Zealand Ltd to carry out the National Beekeepers' Association of NZ Inc's requirements to manage part of the Pest Management Strategy (PMS) for American foulbrood disease in honey bees. The contract price for the period 1 June 1999 to 31 July 2000 was $124,872 (GST exclusive) and from 1 June 2000 to 31 July 2001 is $76,380 (GST exclusive).

13 Commodity Levy

Commodity Levies are raised based on apiary site information supplied by AgriQuality New Zealand Ltd, in terms of a contract for supply of such information between the Association and AgriQuality New Zealand Ltd. The information in some cases has proved inaccurate as some of the apiary sites stated in the register were not in production or eligible for a levy. This resulted in the Association charging levies incorrectly, necessitating a subsequent provision for doubtful debts.

	2001
Commodity Levy Billed	688,305
Levy Written Off- Statutory Declaration	(143,776)
Levy Written Off- No Longer Registered	(54,362)
Total Commodity Levy Received	**$ 490,167**

KPMG

Audit report

To the members of National Beekeepers Association of New Zealand (Inc.)

We have audited the financial statements on pages 2 to 10. The financial statements provide information about the past financial performance of the Association and its financial position as at 31 December 2001. This information is stated in accordance with the accounting policies set out on pages 8 to 9.

Executive responsibilities

The Executive is responsible for the preparation of financial statements which give a true and fair view of the financial position of the Association as at 31 December 2001 and the results of its operations for the year ended on that date.

Auditors' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Executive and report our opinion to you.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Executive in the preparation of the financial statements;
- whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Our firm carries out other assignments for the Association in the area of taxation advice. The firm has no other interest in the Association.

KPMG

Fundamental Uncertainty

In forming our unqualified opinion, we have considered the adequacy of disclosures made in the financial statements concerning recognition of commodity levy income. The result being that there are no practical audit procedures to establish that all apiary sites have been identified and that all sites have been accounted for accurately in determining commodity levy income. Details of the circumstances relating to this fundamental uncertainty are described in note 13.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 2 to 10:

- comply with New Zealand generally accepted accounting practice;
- give a true and fair view of the financial position of the association as at 31 December 2001 and the results of its operations for the year ended on that date.

Our audit was completed on 3 July 2002 and our unqualified opinion is expressed as at that date.

KPMG

KPMG Hamilton